

24 November 2004



Iraq Weekly Status Report

UNCLASSIFIED



Table of Contents

SECTION

SLIDE(S)

1.0 Highlights

3-4

2.0 Political Affairs

2.1 Governance

5-7

3.0 Refugees, Democracy and Human Rights

8

4.0 Economic Affairs

3.1 Economy

9-11

3.2 Essential Services

12-16

3.3 Oil and Power

17-21

5.0 Reconstruction

4.1 IRRF Financial Status

22

6.0 Justice

23

7.0 Security

5.1 Security and Stability

24-25

8.0 General Information

26



Highlights

Political/Governance

Sharm el-Sheikh:

- 21 countries including the U.S. and Iraq's neighbors met in Sharm el-Sheikh, Egypt and issued a communiqué calling for support for Iraq's elections and overall political transition.
- Bahrain announced that it would host a conference involving all Iraqi political groups prior to the January election to help secure the election's success.

National Elections:

- The International Electoral Commission of Iraq (IECI) announced that elections will take place January 30, 2004.
- More than 200 political entities have now registered with the IECI for participation in the elections. Party certifications closed on 22 November.
- Voter registration continues in all provinces except Al Anbar; Ninewa, Diyala' and Salah ad din have experienced some interruptions.
- The 18-19 November conference at Lake Dokan in Iraq's Kurdish region produced general agreement that Kurdish parties will run jointly on a national list.
- The International Organization for Migration (IOM) will begin to negotiate MOUs with each of the 14 countries designated for Out of Country voting.



Highlights

Economic/Essential Services

- Paris Club creditors reached resolution this past week, agreeing to provide 80% debt reduction for Iraq's external debt.
- The second Joint Economic Commission will be held in Washington, D.C. in December.

Telecommunications

- The Advanced First Responder Network Construction is underway in Baghdad on the National Coordination Center (NCC), the Governorate Dispatch Center (GDC), and the Incident Command Center (ICC).

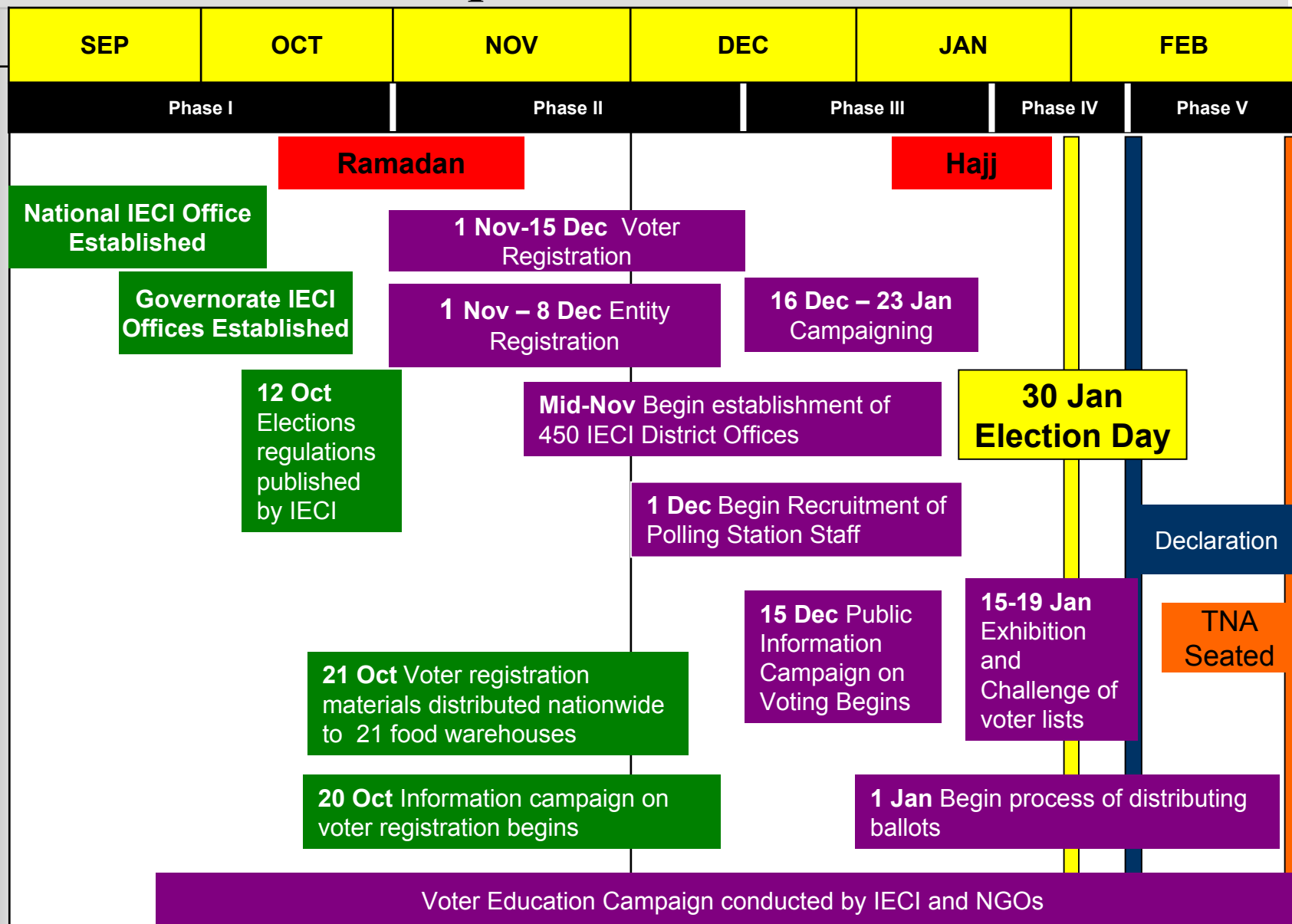
Public Diplomacy

- The second "American Corner" resource center was inaugurated at the 30,000 student Basra University. Dubbed the "Freedom Corner" by the University President, this represents a tangible demonstration of American support for Iraqi higher education. The first "American Corner" opened in August at the Suleimaniyya Public Library, and there are 12 more intended for Iraq.



Governance – Iraq Elections Timeline

DEPARTMENT OF STATE





Governance – Developments

Election Planning Continues:

- The IECI extended the deadline for political entity registration from 20 November to 22 November.
- The Kurdistan National Assembly (KNA) agreed to make necessary changes to its electoral law so that the IECI can move ahead with issuing regulations on the Kurdish provincial elections.
- IECI has issued an open invitation to national and international elections monitors for the 30 January election.
- The Iraqi Islamic Party has reversed an earlier decision and announced that it will participate in the elections.
- In Mosul, a building holding elections materials was burned down on 19 November. IECI is working to replenish supplies.

United Nations:

- Additional UN elections support staff have arrived from Amman and began work.

Security:

- \$10 million of the UK Department for International Development's (DFID) existing allocation to the UN International Reconstruction Fund Facility for Iraq (IRFFI) is providing security support to the IECI Commissioners.



Governance – Developments

Capacity Building:

- The USAID announced support to the Iraqi election process through a cooperative agreement to the Consortium for Elections and Political Process (CEPPS), a consortium of three U.S. non-governmental organizations, and a \$40 million grant to the International Foundation for Election Systems (IFES) to support the IECI.
- With endorsement from the UN, the Italian government is moving forward with training for 85 Iraqi elections officers in Amman.
- Following the creation of the first coalition of domestic election monitors (CINEM) in October, the National Democratic Institute (NDI) has begun the training of some 90 NGO CINEM members who will themselves train about 5,000 to 8,000 Iraqis to become election monitors.
- NDI has also created the Election Information Network (EIN), an NGO which will serve as the primary coordinating and information-sharing body for all CINEM members in the months leading up to the election and in future elections.
- The DFID £5 million Political Participation Fund (PPF) is helping Iraqi civil society organizations to ensure that all groups in Iraq have a voice in the political debate. PPF projects so far include: a student voter education campaign conducted by an Iraqi student society; workshops on women's rights and the political process; and various human rights events.



Refugees, Democracy and Human Rights

Internally Displaced People (IDP):

- Office of US Foreign Disaster Assistance (OFDA) continues to provide much needed supplies to affected IDPs. As crises give way to reconstruction efforts, OFDA will implement transitional activities that directly benefit IDPs while laying the groundwork for full-scale reconstruction activities.
- OFDA's first priority is for immediate relief activities targeting both Arab IDPs and Kurdish returnees and for sudden displacement response.
- The Ministry of Displacement and Migration, UNHCR, and other responsible agencies have agreed that returns to these areas should be supported.
- Water and sanitation are expected to be major concerns in coming weeks as IDPs return.

Democratic Dialogue:

- Approximately 60 lawyers from six northern governorates attended a regional conference to discuss the development of a new constitution. The conference was supported through a \$12,000 grant from Iraqi Transition Initiative (ITI).

Human Rights:

- ITI has assisted several human rights groups, including the Free Prisoners Association and the Lawyers Association, that are compiling lists of the missing, suspected mass grave sites, confirmed victims and documents relating to disappearances.



Economy

Oil Update:

- Crude Oil prices in world markets for the week ending 12 November closed with Kirkuk Crude at \$32.41/barrel, Basra Light at \$31.15/barrel, and the OPEC basket at \$36.25/barrel.

Employment Update:

Number of Iraqis employed by USG-administered projects in each sector

Employing Organization	Iraqis last week	Iraqis this week	% Increase on week
PCO	13,970	24,577	43.2%
USAID	28,918	30,246	4.4%
AIRP	12,100	12,000	-0.8%
MILCON	861	237	-72.5%
CERP	14,400	25,813	44.2%
MNSTC-I	5,618	5,618	0.0%
IRRF NON-CONSTRUCTION	29,278	29,734	1.5%
GRAND TOTAL	105,145	128,225	18.0%



Economy (cont.)

Iraq Currency and Securities Exchanges:

- At the New Iraqi Dinar (NID) auction on 22 November, the settlement price was 1,460 dinars per USD. A total of 18 banks traded with a total purchase value of USD 35,520,000.
- The Ministry of Finance (MOF) auctioned ID 150 billion (about \$102.7 million) in T-Bills on 21 November; the settlement yield was 1.2 percent with three banks offering winning bids. The following table shows the results of the past ten T-Bill auctions:

No. of Auction	Date of Auction	Amount of issue	Term of security (in days)	Maturity Date	Number Competitive Bidders	Winning Bidders	Total Valid Competitive Bids	Total Competitive Awarded	Cover Ratio %	Bid Range yields	Cut Off yield
1	7/18/2004	150.000	91	10/18/2004	14	10	154.400	146.780	105.19	3.00% - 9.50%	6.80%
2	8/1/2004	50.000	91	11/1/2004	10	6	100.750	46.340	217.41	2.00% - 7.50%	5.50%
3	8/15/2004	100.020	91	11/15/2004	10	8	162.600	96.850	167.89	3.00% - 6.50%	5.50%
4	8/29/2004	150.010	91	11/29/2004	9	4	178.500	146.560	121.79	2.00% - 7.20%	5.00%
5	9/12/2004	150.020	91	12/13/2004	7	5	228.250	147.520	154.72	2.00% - 7.20%	4.00%
6	9/26/2004	150.000	91	12/27/2004	7	5	316.250	146.500	215.87	1.50% - 5.00%	3.20%
7	10/10/2004	150.020	91	1/10/2005	8	6	289.750	145.270	199.46	2.00% - 5.40%	3.20%
8	10/24/2004	150.030	91	1/24/2005	10	6	350.000	145.030	241.33	1.00% - 5.40%	2.50%
9	11/7/2004	150.010	91	2/7/2005	12	7	437.100	145.510	300.39	1.00% - 3.30%	1.10%
10	11/21/2004	150.010	91	2/20/2005	5	3	281.250	147.010	191.31	1.00% - 5.00%	1.20%



Economic Development

Paris Club Creditors met November 15-19, 2004:

- Paris Club creditors reached resolution to provide 80% debt reduction of approximately \$40 billion debt to Paris Club member nations. Iraq has a total of \$120 billion of external debt.
- The U.S. Government plans to cancel 100% of Iraqi debt to the U.S. which totals \$4.1 billion.

2nd Joint Economic Commission (JEC) hosted December 2004:

- The second JEC will be held in Washington, D.C. in December 2004 as a follow-up to the inaugural JEC, held in Baghdad in September 2004.
- The Joint Economic Commission is a bilateral economic policy meeting between the USG and IIG to discuss economic policy issues including:
 - Fiscal Policy
 - Monetary Policy
 - Housing Finance
 - Revenue and Budget
 - Domestic Subsidies Reform
 - Banking Supervision and Trade
 - Legal and Regulatory Reform
 - Agriculture Trade and Credits
 - Promoting Entrepreneurship
 - Job Creation
 - State-Owned Enterprises
 - Oil Development Policy



Essential Services – Water and Sanitation

Water Treatment Projects:

- Expansion of a major water treatment plant serving Baghdad and surrounding areas is approximately 75% complete. This project will produce approximately 250 million gallons of potable drinking water per day for Baghdad residents.
- A new training course on the use of the Geographic Information System (GIS) is being developed in preparation for a mapping activity that will be the basis of a master plan for the improvement of sewage services in Baghdad. USAID's Local Governance Program (LGP) advisors are providing technical assistance.
- USAID projects to improve the provision of potable water in the Basrah area are progressing according to schedule.
 - All 14 water treatment plants are substantially complete and are undergoing inspection.
- USAID's new rural water initiative is underway. Since construction began in September 2004, eleven wells have been drilled in Diyala' and Salah ad Din Governorates.
 - These wells will bring water to rural communities with populations of 1,000 to 5,000.
 - The project, which falls under USAID's Iraq Infrastructure Reconstruction Program, will install approximately 150 wells in 300 rural communities.



Essential Services – Food Security

Public Distribution System (PDS) and MOT-Awarded Contracts:

- MOT II (pulses, infant formula, vegetable oil/ghee, tea, infant cereals and adult milk), should meet the needs of the Public Distribution System (PDS) in December and January.
- The World Food Program (WFP) has agreed to continue with its pipeline reporting to track estimated arrivals of shipments.
- The Ministry of Trade has reported that all Letters of Credit (L/Cs) have now been issued for MOT II and contracts have been amended accordingly. Independently, The Trade Bank of Iraq reports that all but one L/C have been fully funded.
- On November 15, the MOT III began awarding contracts to suppliers. MOT III will fulfill February and March 2005 requirements. To date, the MOT is on track for moving forward on MOT III.



Essential Services – Health Care

Current Hospital Rehabilitation Projects:

- Despite difficult security conditions, the Ministry of Health (MOH) and USAID continue their efforts to re-equip primary healthcare clinics throughout Iraq.
- To date, 333 primary healthcare centers have been re-equipped through the Health Systems Strengthening Program; this is more than half of the 600 clinics to be re-equipped upon completion of this program.
- These centers received primary healthcare kits containing approximately 60 items of basic medical equipment, office furniture, and laboratory equipment to improve provision of essential health services.



Essential Services – Education

Delivery of Student Kits:

- More than 120,000 student kits containing essential school supplies have been delivered to students in grades 1-4 at primary schools in Western Baghdad.
- Distribution of the kits was implemented by the Ministry of Education and UNICEF which is coordinating a larger \$40 million project to distribute kits to almost six million children.

Accomplishments to Date:

- USAID has awarded 627 grants worth more than \$6 million to rehabilitate schools and equip Directorates General.
- Nationwide, 2,405 schools have been rehabilitated, 20 have been newly constructed, and 235 are currently under construction.
- USAID completed a nationwide initiative that trained nearly 33,000 secondary school teachers and administrators, including 860 master trainers.
- More than 550 students participated in a USAID-sponsored pilot accelerated learning program in five Iraqi cities. This program will allow children not currently enrolled in school to complete two school years in one year's time.



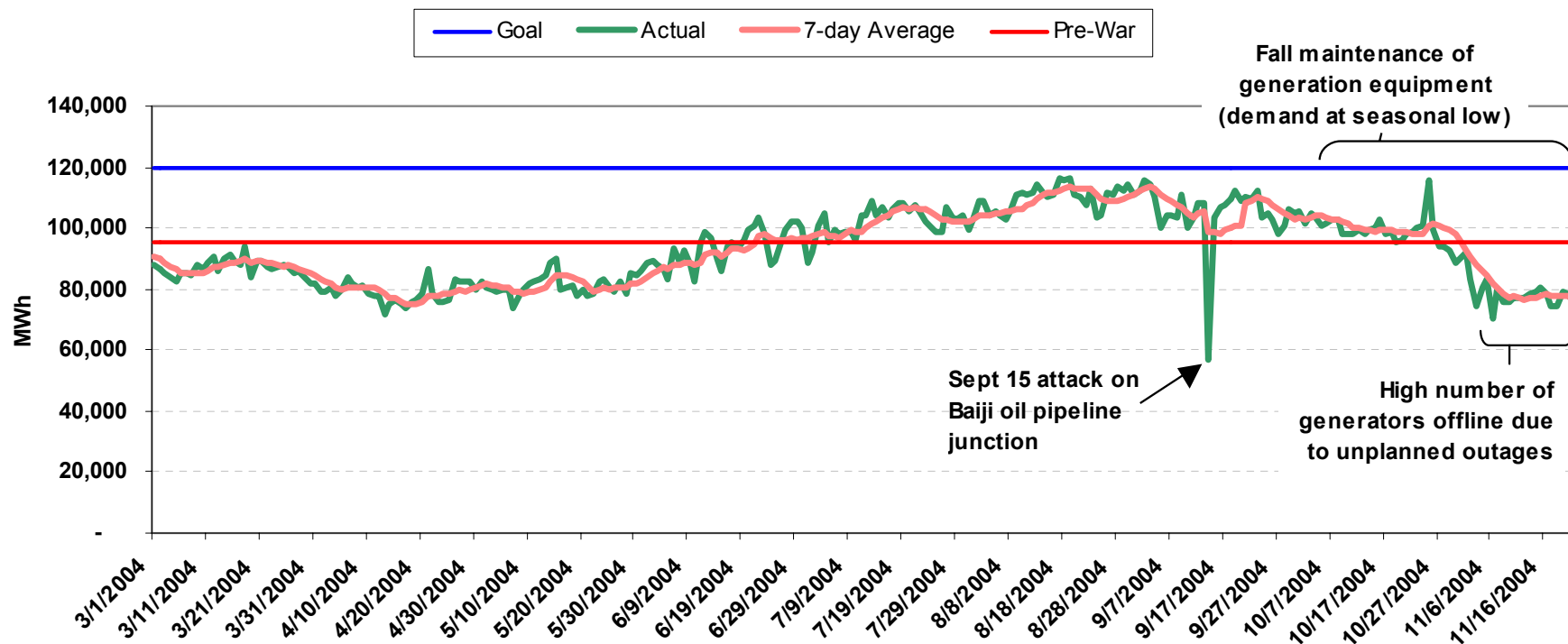
Essential Services - Telecommunications

- Total number of telephone subscribers in Iraq is now over 2,135,000, including 1,175,000 cell phone subscribers and 960,000 land line subscribers – 156% above pre-war levels.
- The Advanced First Responder Network Construction is underway in Baghdad on the National Coordination Center (NCC), the Governorate Dispatch Center (GDC), and the Incident Command Center (ICC).
- A total of 65 of the 104 HF sites are completed.
- The National Communications and Media Commission (NCMC) commenced making arrangements to establish a consumer hotline call center for Iraqna customers, and began preparation for potential proceedings and public hearings on Iraqna service levels.

Electricity Overview



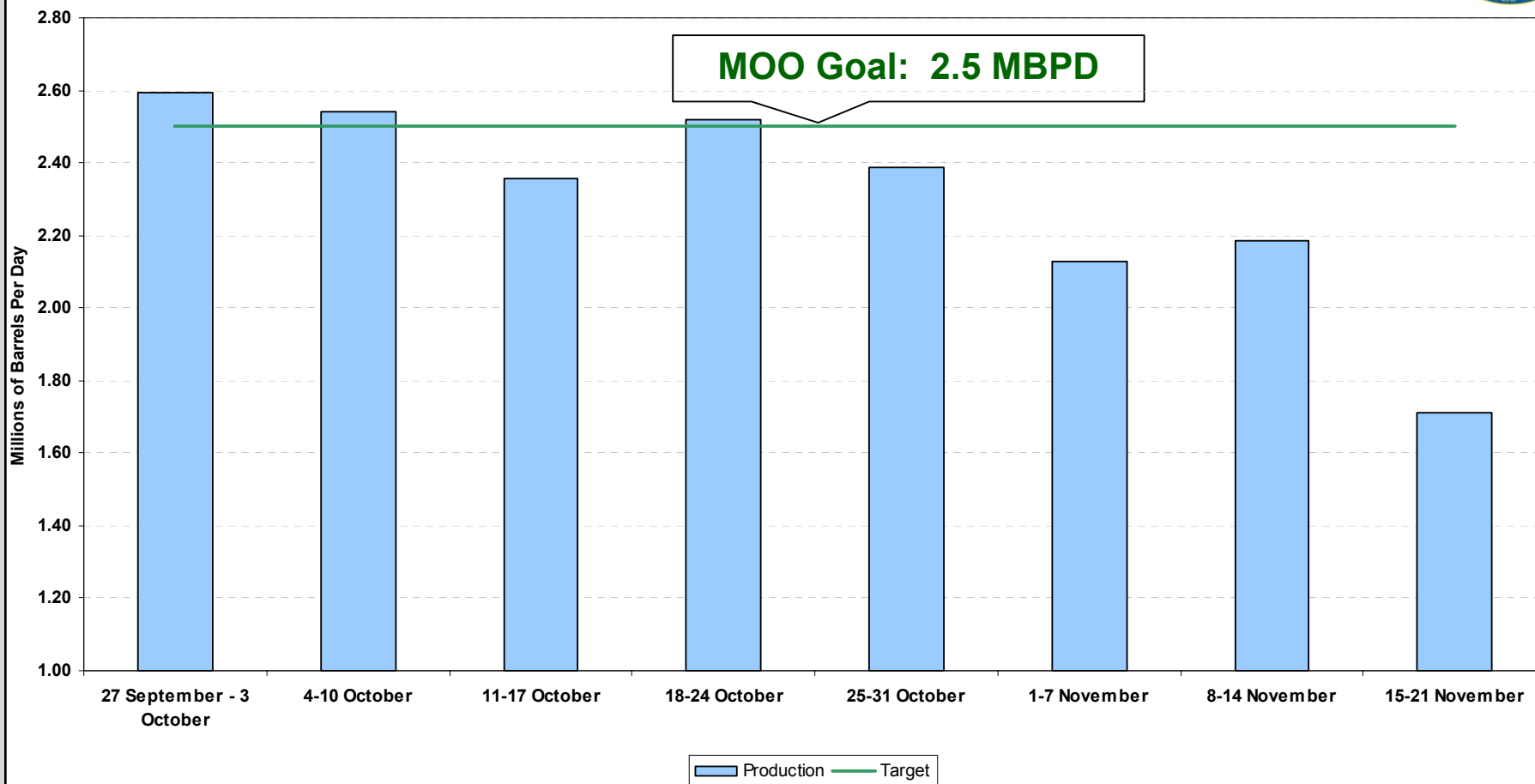
Megawatt-Hour (MWh) Load Served



- Approximately 1200 MW of generation capacity was offline due to planned maintenance. Another 1350 MW was offline due to unscheduled maintenance.
- Despite the large amount of MW offline due to maintenance, the hours of power have not been significantly impacted (averaging 12 hours nationwide)
- 7 Day MWh Average (15-21 Nov): 77,200 MWh.



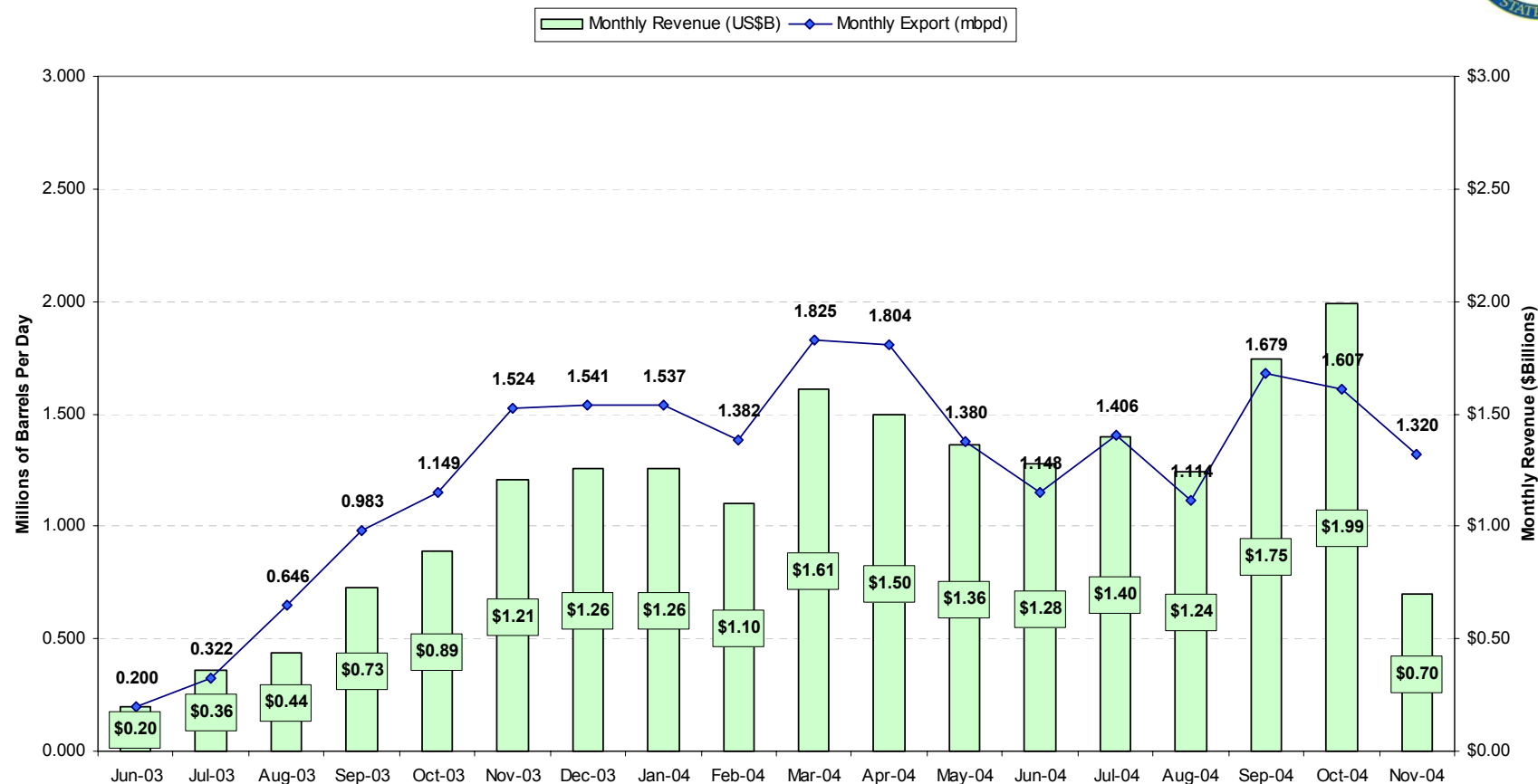
Crude Oil Production



- **Weekly Average (15-21 Nov) of 1.711 MBPD**
- **Near Term Ministry of Oil (MOO) Target (Dec 04): 2.8 – 3.0 MBPD (Pre-War Capacity)**
- **Pre-War Peak: 2.5 MBPD in Mar 03**
- **Post-War Peak: 2.67 MBPD**



Crude Oil Monthly Export – Volume & Revenue



• **2003 Revenue:** **\$5,076.6M**

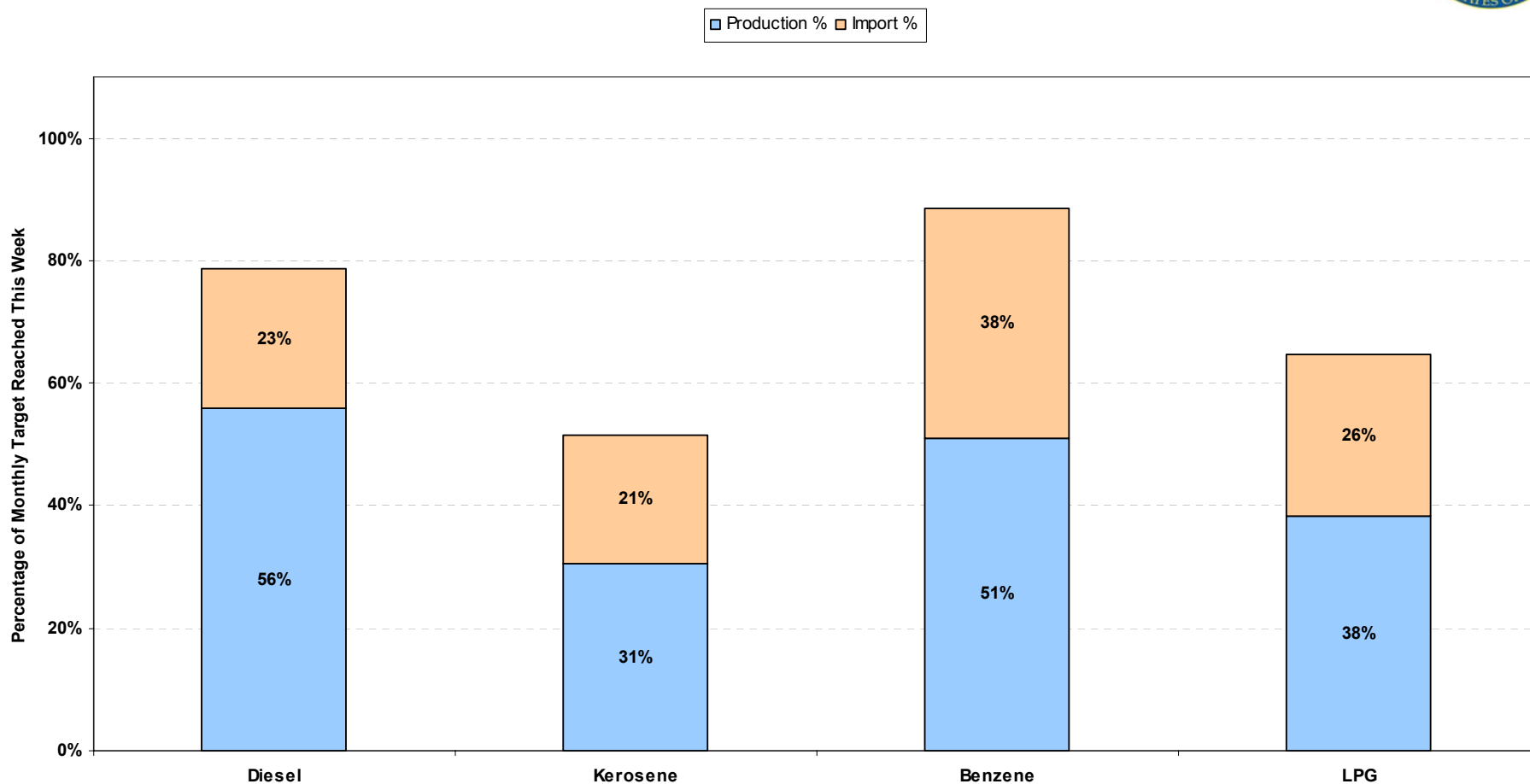
• **2004 Revenue:**

– **Pre-Transition:** **\$8,105.2M**

– **Post-Transition:** **\$7,038.2M**

\$15,143.4M

Refined Products – Domestic Production & Imports



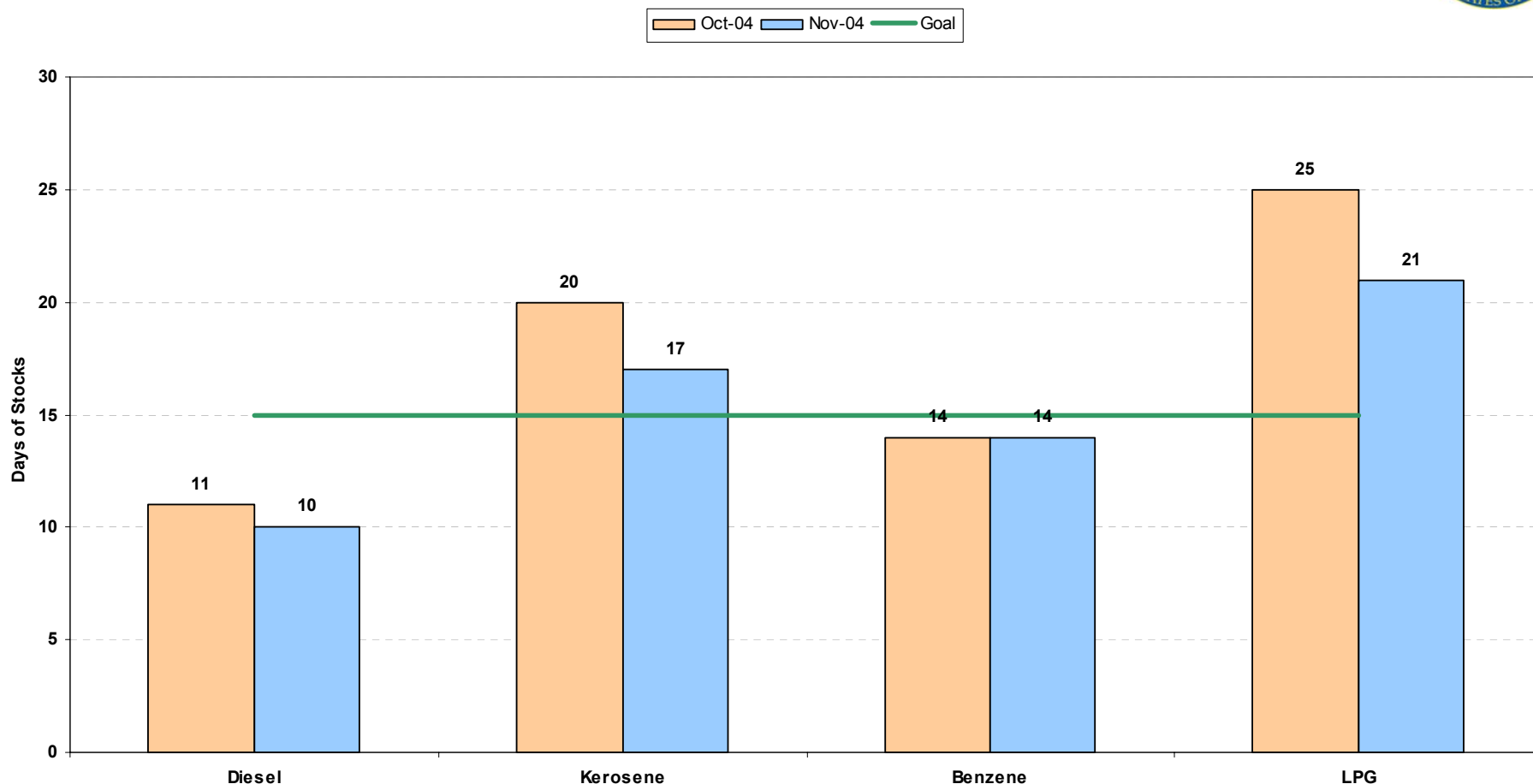
Note: This chart represents the percentage of target reached for the week of 15-21 Nov

- Diesel: 14.2 ML of 18 ML
- Kerosene: 7.7 ML of 15 ML

- Benzene: 15.9 ML of 18 ML
- LPG: 2,781 tons of 4,300 tons



National Stock Levels



- The goal is for all refined products to be over 15 days worth of stocks at maximum consumption rates and does not represent seasonal change. The numbers given above are monthly averages.

Iraq Relief and Reconstruction Fund (IRRF) – Financial Status



Financial Status IRRF I & II			Committed		Obligated		Disbursed	
Sector	2207 Report	Apportion	Last Week	Current	Last Week	Current	Last Week	Current
Security and Law Enforcement	5045	5045	3919	4030	2865	2849	883	920
Electricity Sector	4350	3627	3343	3481	2367	2416	442	477
Oil Infrastructure	1701	1701	1141	1195	771	786	69	77
Justice, Public Safety, and Civil Society	1121	1120	836	834	541	574	75	83
Democracy	832	832	474	474	473	474	118	118
Education, Refugees, Human Rights, Governance	379	379	139	139	136	136	36	36
Roads, Bridges, and Construction	359	299	293	296	149	154	23	24
Health Care	786	786	762	780	364	310	5	6
Transportation and Communications	499	443	391	403	201	209	15	17
Water Resources and Sanitation	2311	1365	1292	1342	862	881	29	33
Private Sector Development	843	843	155	157	140	200	49	49
Admin Expense (USAID, State)	213	29	29	29	29	29	29	29
IRRF II SUBTOTAL	18439	16469	12774	13160	8898	9091	1773	1869
CONSTRUCTION	11306	9336	7741	8284	5171	5459		
NON-CONSTRUCTION	6301	6301	4559	4402	3254	3158		
DEMOCRACY	832	832	474	474	473	474		
IRRF I SUBTOTAL	2475	2475	2475	2475	2475	2475	1704	1704
GRAND TOTAL IRRF I & II	20914	18944	15249	15635	11373	11566	3477	3573

Data as of 23 Nov 04

Justice



Justice Sector Updates:

- INL Rule of Law Coordinator is planning to attend the UN conference on Rule of Law and Human Rights in Geneva (13&14 Dec).
- Planning and program development continue for a comprehensive and sustainable program based on Iraqi priorities.
- Current and ongoing programs initiated under CPA are being evaluated and incorporated into the comprehensive strategy.



Iraqi Security Forces Update

<u>Iraqi Security Forces</u>	<u>Trained/On Hand</u>	<u>Required</u>
Police	47,342	135,000
Civil Intervention Force	1,091	3,720
Emergency Response Unit	168	270
Border Enforcement	14,593	29,360
Highway Patrol	370	1,500
Bureau of Dignitary Protection	484	500
Army	3,887	27,000
National Guard	43,445	61,904
Intervention Force	1,816	6,584
Special Operations Force	590	1,967
Air Force	167	502
<u>Coastal Defense Force</u>	<u>409</u>	<u>582</u>
Total	*114,362	268,889

* The military forces continue to receive advanced unit training.



Stability Contributors – OIF

28

Countries with forces in Iraq (in addition to US)

Albania	El Salvador	Kazakhstan	Mongolia	Slovakia
Australia	Estonia	Korea	Netherlands	Tonga
Azerbaijan	Georgia	Latvia	Norway	Ukraine
Bulgaria	Hungary	Lithuania	Poland	UK
Czech Rep	Italy	Macedonia	Portugal	
Denmark	Japan	Moldova	Romania	

TOTAL ~ 25,000 Forces

29 Countries and NATO

(including US)

Support Iraqi Stability Operations

Iraq Weekly Status – General Information



- This brief draws from multiple sources. References are cited on the respective pages in the “Notes Page” section (View → Notes Page).
- Please forward all questions and/or comments to (unclassified) NEA-I-IPOG-DL@state.gov or (classified) NEA-I-IPOG-DL@state.sgov.gov